



**STATEMENT OF PROCEEDINGS  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY AUDIT COMMITTEE  
KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012**

**Wednesday, October 16, 2013**

**10:30 AM**

AUDIO LINK FOR THE ENTIRE MEETING. (13-4903)

**Attachments:** [AUDIO](#)

Present: Chair Dorinne Jordan, Member Louisa Ollague, Member Kieu-Anh King and Member Lori Glasgow

Excused: Vice Chair Carl Gallucci, Member Nedra Jenkins, Member Francisco Chabran, Member Lisa Mandel and Member Michelle Vega

Call to Order. (13-4789)

**The meeting was called to order by Chair Dorinne Jordan at 10:37 a.m.**

**I. ADMINISTRATIVE MATTER**

1. Approval of the September 18, 2013 meeting minutes. (13-4790)

**On motion of Lori Glasgow, seconded by Kieu-Anh King, this item was approved.**

**Attachments:** [SUPPORTING DOCUMENT](#)

**II. BOARD POLICY**

2. Recommendation to approve amendments to Board Policy No. 5.053 - Evaluation of Vendors/Contractors Engaged in Mergers or Acquisitions and extend the sunset review date to December 13, 2017 (10/1/13) (Continued from the meeting of 10/16/13). (13-4768)

**Elizabeth Friedman, County Counsel, provided an overview of the revisions to the policy and reported that amendments were made to maintain consistency throughout all departments.**

Louisa Ollague questioned the protocol taken when contractors that are placed on the County's Contractor Alert Reporting Database (CARD) merge with a new contractor.

Don Chadwick, Auditor-Controller, indicated that in the event of an acquisition or merger, the contractor that was reported to CARD would remain and the new contractor would be evaluated independently.

Louisa Ollague expressed the need to have Mr. Chadwick's suggestions as cross reference.

Frank Cheng, Chief Executive Office, and Ms. Friedman agreed and suggested language be included in the CARD manual and not the policy.

Louisa Ollague and Dorinne Jordan requested the policy be revised to include a reference to the CARD manual.

On motion of Louisa Ollague, seconded by Dorinne Jordan, this item was continued to the next meeting.

Attachments:    [SUPPORTING DOCUMENT](#)

### **III. SUNSET REVIEW**

3. Sunset Review for the Los Angeles County Labor-Management Advisory Committee on Productivity Enhancement (9/30/13) (Continued from the meeting of 10/16/13). (13-4766)

Robert Smythe, Auditor-Controller, reported that the Chief Executive Office will be reevaluating the Labor-Management Advisory Committee on Productivity Enhancement (LMAC) to determine the relevance of the Committee.

Discussion ensued with regard to forums, in addition to the LMAC, that allow unions to express cost saving ideas and productivity.

Kieu-Anh King expressed concern about a reference in the report that describes the lack of a quorum and staff support for LMAC.

Dorinne Jordan requested that Chief Executive Office staff be invited to the next meeting.

On motion of Lori Glasgow, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments:    [SUPPORTING DOCUMENT](#)

**IV. OLD BUSINESS**

4. Recommendation to approve substantive changes to Board Policy No. 9.040 - Investigations Of Possible Criminal Activity Within County Government, extend the sunset review date to September 8, 2018 and submit to the Board of Supervisors for final action (7/2/13) (Continued from meeting of 7/17/13, 8/21/13 and 9/18/13). (13-3313)

**Robert Campbell, Auditor-Controller, provided an overview of the recommendations discussed at the Public Safety cluster and the Children & Families' Well-Being cluster meetings.**

**The Audit Committee expressed concern with a sentence in the policy and instructed Auditor-Controller staff to make specific revisions, prior to submitting it to the Board of Supervisors.**

**On motion of Louisa Ollague, seconded by Kieu-Anh King, this item was approved as revised.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

5. Recommend to the Board of Supervisors to extend the Los Angeles County Sybil Brand Commission for Institutional Inspections' sunset review date to October 1, 2017 (6/17/13) (Continued from meetings of 6/27/13, 7/17/13, 8/21/13 and 10/16/13). (13-2958)

**Lori Glasgow questioned when the Board of Supervisors authorized the Commission to inspect group homes and what system is being utilized by the Sybil Brand Commission for Institutional inspections (SBC) to schedule visits.**

**Louisa Ollague and Dorinne Jordan recommended that this item be discuss at the Children and Families' Well-Being cluster meeting.**

**In response to questions posed by Lori Glasgow with regard to inspections executed by SBC, Twila Kerr, Commission Services, reported that Eleanor Montaña, Chair for SBC, coordinates all facility visits.**

**Bolaji Famuyiwa, Commission Services, reported that inspections are randomly assigned to Commissioners by the Chair and efforts are being put in place to enhance the collaboration between all entities involved.**

**Ms. Famuyiwa provided a brief summary of the scheduled inspections and reviews for SBC.**

**Ms. Kerr provided a brief overview of recommendations generated after SBC engaged in discussions with the Department of Children and Family Services and the Probation department in an effort to enhance the SBC inspection process.**

**On motion of Dorinne Jordan, seconded by Lori Glasgow, the Committee took the following action:**

- Continued this item six months; and**
- Referred this item to the Public Safety Cluster, Children & Families Well-Being Cluster and the Cross Cluster meetings.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

- 6. Department of Public Works Petty Cash Fund - Follow-Up Review (7/1/13) (Continued from the meetings of 7/17/13, 8/21/13 and 9/18/13). (13-3212)**

**Robert Smythe, Auditor-Controller (A-C), provided a brief summary of payroll advances through the supplemental warrant process.**

**Lori Glasgow posed questions with regard to repayments for payroll advances. Arlene Barrera, A-C, explained how petty cash was being utilized for the repayment of advances.**

**Lori Glasgow asked A-C staff to verify if the Department of Public Work is still conducting the same practices with petty cash and report back to the Audit Committee.**

**In response to questions posed by Lori Glasgow regarding surprise audits for foster family agencies, Robert Campbell, A-C, confirmed that in an effort to be more proactive, his office is currently planning sporadic inspections for group homes and foster family agencies.**

**Ms. Barrera, A-C, reported that the Department of Children and Family Services' (DCFS) Fiscal Monitoring Unit will actively visit agencies to determine if any fiscal problems exist.**

**Don Chadwick, A-C, reported that the additional positions approved for his department are to enhance DCFS' monitoring and provide sufficient training.**

**On motion of Lori Glasgow, seconded by Louisa Ollague, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

7.    Probation Department Juvenile Camps - Department of Justice Settlement Agreement Monitoring for September 1, 2012 through November 30, 2012 - Eighth Status Report (7/11/13) (Continued from meeting of 8/21/13 and 9/18/13). (13-3515)

**Lori Glasgow instructed Auditor-Controller (A-C) staff to present future reports at the Public Safety Cluster meetings and provide status updates on the various provisions.**

**Don Chadwick, A-C, and Arlene Barrera, A-C, provided a brief overview of their progress monitoring the implementations of provisions.**

**Lori Glasgow instructed A-C staff to provide the Audit Committee with a status update once all Federal Department of Justice provisions have been implemented.**

**Dorinne Jordan instructed Executive Office staff to include a provision status update discussion item for the January 2014 and June 2014 agendas.**

**On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

8.    Department of Parks and Recreation - Review of Trust Funds, Special Funds, Commitments, and Accounts Payable (7/12/13) (Continued from the meetings of 8/21/13 and 9/18/13). (13-3526)

**Nancy Neville, Auditor-Controller, was instructed to email Committee members with contact information of the person, at the Department of Parks and Recreation (DPR), who would be able to provide the number of lessees that were not submitting the required profit and loss statements consistently; and the status of finalizing special fund policies. Ms. Neville added that DPR will submit the special fund policies to Board offices once they're finalized.**

**On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

9. District Attorney's Office - Payroll/Personnel Review (8/12/13) (Continued from meetings of 8/21/13, 9/18/13 and 10/16/13). (13-3830)

**On motion of Lori Glasgow, seconded by Kieu-Anh King, this item was continued to the next meeting.**

Attachments:    [SUPPORTING DOCUMENT](#)

10. 1736 Family Crisis Center - A Department of Mental Health Contract Service Provider - Contract Compliance Review (9/9/13) (Continued from meeting of 9/18/13). (13-4291)

**Kieu-Anh King expressed concern with substantial non-compliance findings reflected in the report and asked Auditor-Controller staff if the agency's responses to their findings seemed reasonable.**

**Don Chadwick, Auditor-Controller, reported that his office and the Department of Mental Health will be conducting specialized enhanced training for the agency within the next two weeks.**

**Mr. Chadwick was instructed to confirm if this agency has had a pattern of substantial findings in the past and report back to the Audit Committee.**

**On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was received and filed.**

Attachments:    [SUPPORTING DOCUMENT](#)

#### **V. REPORTS**

11. Treasurer's July 30, 2013 Cash Count (9/12/13). (13-4640)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

Attachments:    [SUPPORTING DOCUMENT](#)

12. Review of LAC+USC Healthcare Network Patient Valuables (9/12/13) (Continued from the meeting of 10/16/13). (13-4641)

**On motion of Lori Glasgow, seconded by Kieu-Anh King, this item was continued to the next meeting.**

Attachments:    [SUPPORTING DOCUMENT](#)

13. Crystal Stairs, Inc. - A Department of Public Social Services CalWORKs Stage One Child Care Services Program Provider - Contract Compliance Review (9/16/13). (13-4642)

**On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

14. Department of Mental Health Service Providers Fiscal Monitoring - Fiscal Years 2008-09 and 2009-10 (9/18/13). (13-4643)

**This item was discussed in conjunction with item 23.**

**In response to questions posed by Dorinne Jordan with regard to an additional review conducted by an outside auditor, Michelle Romero, A-C, reported that contracting with a Certified Public Accountant (CPA) firm to conduct fiscal monitoring has been a common practice for many years.**

**Don Chadwick, A-C, reported that audits conducted by the CPA firms are supplemental to the monitoring activities fulfilled by his department and are required due to limited resources. Mr. Chadwick added that contractors are also utilized in the same form for Community and Senior Services.**

**Discussion ensued between Don Chadwick and Dorinne Jordan with regard to applicable variances that require the usage of contractors for the Department of Mental Health (DMH) and Community Senior Services.**

**Don Chadwick reported that DMH will provide a status update, for the remaining questioned cost identified, at the November or December Audit Committee meeting.**

**Robert Smythe reported that questioned costs at County operated clinics will conclude in a refund to funders or an off-set to future revenue.**

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

15. Sheriff's Department - Equipment and Supply Warehousing Review (9/17/13)  
(Continued from the meeting of 10/16/13). (13-4644)

**By common consent, there being no objection, this item was continued two months and referred to the Public Safety cluster meeting.**

Attachments: [SUPPORTING DOCUMENT](#)

16. Annual Reporting Requirements for Foundations and Support Groups (9/17/13).  
(13-4645)

**On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

17. Extension of the Due Date for the Department of Public Health Drug Medi-Cal Program Review (Board Agenda Item 5, August 13, 2013) (9/19/13). (13-4646)

**On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

18. Review Of Senate Bill 62 Fraud Notification Fees (Board Agenda September 24, 2013, Agenda Items 21 and 29) (9/19/13). (13-4647)

**On motion of Lori Glasgow, seconded by Louisa Ollague, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

19. Department of Mental Health - Review of Trust Funds and Revenue Accruals (9/19/13). (13-4648)

**On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

20. County Departments' Revolving Funds and Revolving Cash Trust Funds as of June 30, 2013 (9/23/13). (13-4649)

**On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)



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21. City of Pasadena Public Health Department - A Department of Public Health HIV/AIDS Prevention and Care Services Provider - Contract Compliance Review (9/23/13) (Continued from meeting of 10/16/13). (13-4650)

**On motion of Dorinne Jordan, seconded by Lori Glasgow, this item was continued to the next meeting.**

Attachments: [SUPPORTING DOCUMENT](#)

22. JWCH Institute, Inc. - A Department of Public Health HIV/AIDS Prevention and Care Services Provider - Contract Compliance Review (9/25/13). (13-4651)

**On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

23. Community and Senior Services - Fiscal Monitoring of Area Agency on Aging Program Services for Fiscal Year 2010-11 (9/25/13). (13-4652)

**This item was discussed in conjunction with item 14**

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

24. Department of Mental Health - Pharmacy Operations (9/25/13) (Continued from the meeting 10/16/13). (13-4653)

**Kieu-Anh King requested that Department of Mental Health staff be present at the next meeting.**

**On motion of Lori Glasgow, seconded by Kieu-Anh King, this item was continued to the next meeting.**

Attachments: [SUPPORTING DOCUMENT](#)

25. Los Angeles Urban League - Pomona - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2012-13 (9/26/13) (Continued from the meeting 10/16/13). (13-4654)

**In response to questions posed by Louisa Ollague with regard to the agency being placed on the Contractor Alert Reporting Database (CARD), Don Chadwick, Auditor-Controller, reported that the agency has not been placed on CARD and Community and Senior Services' staff will provide a status update at the next Audit Committee meeting.**

**On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

26. Los Angeles Urban League - South Central - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2012-13 (9/26/13) (Continued from the meeting of 10/16/13). (13-4655)

**On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

27. Review of Rancho Los Amigos National Rehabilitation Center's Affinity-Hospital Information System (9/26/13) (Continued from the meeting of 10/16/13). (13-4656)

**On motion of Dorinne Jordan, seconded by Lori Glasgow, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

28. Department of Parks and Recreation - Review of Proposition A Contract Cost Analysis for Maintenance Services at La Puente Area Parks (9/26/13) (Continued from the meeting of 10/16/13). (13-4657)

**On motion of Dorinne Jordan, seconded by Lori Glasgow, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

29. Department of Health Services - Health Services Administration and Office of Managed Care Procurement Review (9/27/13) (Continued from the meeting of 10/16/13). (13-4658)

**On motion of Lori Glasgow, seconded by Kieu-Anh King, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

30. Sheriff's Department - Inmate Welfare Fund Financial/Compliance Audit - Fiscal Year 2010-11 (9/27/13). (13-4659)

**On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

31. The Office of the Assessor - Quarterly Status Report on Management Audit Recommendations (Board Agenda Item 47, January 8, 2013) (10/02/13) (Continued from the meeting of 10/16/13). (13-4767)

**On motion of Dorinne Jordan, seconded by Lori Glasgow, this item was continued to the next meeting.**

Attachments: [SUPPORTING DOCUMENT](#)

32. Report of Treasurer And Tax Collector's Cash Difference Fund Replenishments For The Fiscal Year Ended June 30, 2013 (10/3/13). (13-4769)

**On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

33. Proposition A Contract - Department of Health Services On-Site Document Scanning Services with Caban Resources, LLC (Board Agenda Item 39, October 8, 2013) (10/03/13). (13-4772)

**On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

## **VI. DISCUSSIONS**

34. Pending Audits/Monitoring Reports. (13-4791)

**There was no discussion on this item.**

35. Discuss possible alternatives to process sensitive audit reports (Continued from meetings of 7/17/13, 8/21/13, 9/18/13 and 10/16/13). (13-3211)

**There was no discussion on this item.**

**VII. MISCELLANEOUS**

- 36.** Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (13-4792)

**There were no matters presented.**

- 37.** Public Comment. (13-4793)

**No members of the public addressed the Committee.**

- 38.** Adjournment. (13-4794)

**There being no further business to discuss, the meeting adjourned at 12:00 p.m.**